

**TO:** Hon. Rick Lopes, Co-Chair  
Hon. Quentin Williams, Co-Chair  
Members of the Housing Committee

**FROM:** Sam Giffin, Policy and Data Analyst, Open Communities Alliance

**DATE:** March 10, 2022

**RE:** Support for H.B. 5204

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Dear Senator Lopes, Representative Williams, and Vice-Chairs, Ranking Members and Members of the Housing Committee:

Thank you for the opportunity to provide testimony today. My name is Sam Giffin and I am the Policy and Data Analyst at Open Communities Alliance (OCA), a civil rights organization that has been working to end housing segregation in Connecticut for nearly a decade. I submit this testimony in support of House Bill 5204. I also endorse testimony submitted by All Our Kin and join them in supporting SB 291.

### **Fair Share Will Work for Connecticut**

One of the biggest obstacles to ending housing segregation by race, ethnicity, class and income is zoning. Around the country, there are advocates, legislators and community members that are trying to tackle the very challenging issue of exclusionary zoning. There are policy proposals that vary greatly, from allowing more than one home per lot across an entire city or state, to those that limit zoning regulations in what they can say and do. Then there is Fair Share, a system that has been in place in New Jersey for decades and that is on pace to produce 100,000 units of deed restricted affordable housing, along with many more affordable market rate units in the coming years.

Fair Share has been more successful in generating substantial levels of affordable housing than any other policy in the nation. Just since 2015, 330 New Jersey towns have developed Fair Share plans and are currently working on executing their visions for how affordable housing will fit into their community. There are a few key reasons that so many towns have come forward to be full participants in planning and zoning for affordable housing.

First, Fair Share is unique in that it puts towns in the driver's seat to achieve their affordable housing goals using an assortment of tools, programs, and policies that work for the local environment, economy, and residents of the town and region.

Second, towns understand that they are not carrying the whole burden – their neighbors are shouldering their fair share of the responsibility for providing affordable housing opportunities.

Fair Share calculates the need for affordable housing at the regional level and allocates that need to towns in a way that is responsive both to local and regional needs.

Third, there is accountability, so that towns that do not adequately discharge their responsibilities face real consequences.

But it is possible that many of these towns simply see that if they so vehemently resist market forces; fail to ensure that they reflect the broader diversity of their state; and seal themselves off economically, socially, and culturally, that they will be left behind. Perhaps these towns can see that there are real benefits not only to their quality of life, but to their economic vibrancy if they choose a path of growth, development, modernization, and inclusion.

## **How Fair Share Works**

### *Step 1: Need Calculation*

H.B. 5204 proposes a Fair Share system that is a simple and logical system that works in four steps.

The first step is for the State to determine how much affordable housing is needed. The State should do this region by region, as towns are required to plan and zone for the regional housing need by the State Zoning Enabling Act (C.G.S. Sec. 8-2) and statute governing local Plans of Conservation and Development (C.G.S. Sec. 8-23). Regions are determined by the Office of Policy and Management and comprise towns within each Regional Council of Government, or RCOG.

According to the U.S. Department of Housing and Urban Development, “Affordable housing is generally defined as housing on which the occupant is paying no more than 30 percent of gross income for housing costs, including utilities.”<sup>1</sup> When a household is spending more than 30% of income on housing costs, it is understood that they are sacrificing in other critical areas, such as transportation, food, education, healthcare, retirement, and other basic necessities. According to HUD Comprehensive Housing Affordability Strategy data (CHAS, 2016), there are 474,040 households in Connecticut which pay more than 30% of their income on housing, meaning they are housing cost-burdened.

This statistic includes all households, not simply those that are low income, reflecting that housing is so expensive across incomes that more than one third of all Connecticut households are cost-burdened. Even more concerning, there are over 220,000 households that are considered “severely cost-burdened,” meaning that they pay half or more of their income towards housing costs. This in and of itself is not a sustainable situation, and the situation is even worse when one looks at lower income brackets. For example, of all “low-income” Connecticut households (per HUD, those earning less than or equal to 80% of the Area Median Income, or AMI), two thirds of households are cost-burdened and 36% are severely cost-burdened.

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<sup>1</sup> HUD Glossary of Terms to Affordable Housing, HUD.gov

At the lowest income bracket (less than or equal to 30% of the AMI), 63.2% of households are severely cost-burdened. While the AMI is different throughout the state, this roughly looks like a family of four earning about \$30,000 per year and spending more than half of that towards housing costs, leaving less than \$15,000 for the entire year for all other necessities. This is certainly an extremely dire economic situation in which these households need affordable housing. Deed-restricted affordable housing units are tied to the income of the households that occupy them, so providing an affordable housing unit to a household that is severely cost-burdened would relieve that cost-burden and free up significant income towards other necessities.

While more housing than just that which would be necessary to meet this most extreme need is warranted, OCA recommends that need be calculated to at minimum address this level of need. Even this conservative need estimate suggests that, if Connecticut were to satisfy this need in ten years, it would need to build more affordable housing per year than it has built of any kind of housing in recent history. Since 1990, CT has on average issued fewer than 8,000 building permits of any kind per year.<sup>2</sup>

### *Step 2: Housing Allocations*

The second step proceeds by allocating the regional needs calculated in Step 1 to municipalities in each region based on a number of allocation factors and ensure a fair distribution. Far from simply providing a proportional allocation based on population or geographic size, a fair allocation should incorporate policy objectives related to redressing the longstanding and ongoing history of segregation and opportunity isolation in our state.

OCA suggests the following allocation factors, which, when compared to other towns in a region should provide for a relatively higher or lower proportion of the regional housing need: towns with higher wealth and income relative to towns in their region should have a higher proportion of the regional need; towns with lower proportions of their populations living below the poverty threshold should have a higher proportion of the regional need; towns with lower proportions of multifamily housing units should have a higher proportion of the regional housing need.

### *Step 3: Town Planning and Zoning*

In this next step, towns are the key agents of change, updating their planning documents and zoning regulations with the goal of meeting their Fair Share housing unit obligations. Towns have myriad tools at their disposal, and Fair Share plans will be tailored to the local environment and economy, meaning that no town's Fair Share plan will look exactly like any other.

Towns may wish to utilize inclusionary zoning, a type of policy that requires developers to include a percentage of affordable units in a market rate development. Notably, this policy can create affordable housing units without the use of subsidy. Towns may also participate with developers, housing authorities, non-profit partners, and other entities to bring specific mixed income and affordable housing developments to fruition, especially as that may permit towns more influence over the design and other elements of the development. Towns may opt for broad

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<sup>2</sup> Data.ct.gov, "Annual Housing Permits Data By Town 1990 To Present"

measures that increase density and therefore the viability of inclusionary zoning and/or affordable development in conjunction with other policies to reach their Fair Share goals. The possibilities are too many to list but could include diverse housing types such as Accessory Dwelling Units and Transit Oriented Developments.

OCA recommends that additional parameters be considered to ensure that certain housing types, which are often ignored or more difficult to develop, are part of Fair Share plans. For example, the State could require that no more than 50% of Fair Share units in each town comprise homeownership units because of the deep need for affordable rental housing and the inability of homeownership programs to reach the lowest income levels. OCA suggests that age-restricted housing units be limited to comprising no more than 30% of Fair Share obligations, and that the State require a certain percentage to be two-, three- and four-or-more-bedroom units because of the deep need for family units in the state and the fact that elderly people have equal access to non-age-restricted housing. OCA suggests that the State consider means to prevent segregation or re-segregation within towns – *i.e.*, placing all affordable housing in one place and separate from more expensive housing. Certain provisions such as affirmative marketing could also be required to ensure that towns are reaching beyond their borders to truly meet the regional need for affordable housing.

#### *Step 4: Enforcement*

In order for any law or policy to be effective, there must be meaningful enforcement. The State must hold towns accountable for achieving their Fair Share and this means repercussions for towns that fail to comply with the law.

#### **Conclusion**

We know that Fair Share works to overcome exclusionary zoning; we know that it carries immense economic benefits; and we know that it can provide for hundreds of thousands of sorely needed affordable housing units. But beyond all that, I believe this system, adapted to Connecticut in the form of HB 5204, will work for our towns, our regions, and our state.